## REMARKS

The claims are claims 1, 3, 4, 7 and 13.

Claims 1 and 3 are amended. Non-elected claims 2, 5, 6 and 15 to 17 are canceled. Claims 8 and 14 are canceled. Claim 1 is amended to incorporate limitations of canceled claim 8. Claim 3 is amended to incorporate limitations of canceled claim 14.

Claims 1, 7 and 8 were rejected under 35 U.S.C 102(e) as anticipated by Saito U.S. Patent No. 6,449,717.

Claim 1 recites subject matter not anticipated by Saito. Claim 1 recites the authorized user locally transmits data "employing a local connection having a first bandwidth" and authorizing the receiver's use of data by a trusted agent "employing a network having a second bandwidth less than said first bandwidth." The OFFICE ACTION cites column 12, lines 1 and 2 and 9 and 10 of Saito as anticipating this subject matter originally recited in claim 8. Saito states at column 12, lines 1 to 10:

"8 represents a communication network such as a public telephone line offered by a communication enterprise or a CATV line offered by a cable television enterprise.

In the above arrangement, database 1, primary user terminal 4, secondary user terminal 5, tertiary user terminal 6, n-order user terminal 7, secondary copyright management center 14, tertiary copyright management center 15, and n-order copyright management center 16 are connected to communication network 8. They can also be connected to each other."

This portion of Saito teaches communication network 8 and the possibility of direct connection between primary user terminal 4 and secondary user terminal 5. This portion of Saito includes no teaching on the relative bandwidth of these two communication paths as recited in amended claim 1. Without any teaching on the respective bandwidths, Saito cannot anticipate the particular

bandwidth relationship recited in amended claim 1. Accordingly, claim 1 is allowable over Saito.

Claims 3, 4, 13 and 14 were rejected under 35 U.S.C. 103(a) as made obvious by the combination of Downes et al U.S. Patent No. 6,574,609 and Saito U.S. Patent No. 6,449,717.

Claim 3 recites subject matter not made obvious by the combination of Downes et al and Saito. Claim 3 recites the sender locally transmits data "employing a local connection having a first bandwidth" and both the receiver transmitting the encrypted key to a trusted agent and the trusted agent sending to decrypted encryption key to the receiver "employing a network having a second bandwidth less than said first bandwidth. The OFFICE ACTION cites column 12, lines 1 and 2 and 9 and 10 of Saito as making obvious this subject matter originally recited in claim 14. This portion of Saito teaches communication network 8 and the possibility of direct connection between primary user terminal 4 and secondary user terminal 5. This portion of Saito includes no teaching on the relative bandwidth of these two communication paths as recited in amended claim 3. Without any teaching on the respective bandwidths, the combination of Downes et al and Saito cannot anticipate the particular bandwidth relationship recited in amended claim 1. Accordingly, claim 1 is allowable over the combination of Downes et al and Saito.

Claims 7, 4 and 13 are allowable by dependence upon respective allowable base claims 1 and 3.

The Applicants respectfully submit that all the present claims are allowable for the reasons set forth above. Therefore early reconsideration and advance to issue are respectfully requested.

If the Examiner has any questions or other correspondence regarding this application, Applicants request that the Examiner contact Applicants' attorney at the below listed telephone number and address to facilitate prosecution.

Texas Instruments Incorporated P.O. Box 655474 M/S 3999 Dallas, Texas 75265 (972) 917-5290

Fax: (972) 917-4418

Respectfully submitted,

Robert D. Marshall, Jr.

Reg. No. 28,527